# Alexandria Redevelopment and Housing Authority Redevelopment Work Group March 18, 2021

# MEETING SUMMARY VIRTUAL MEETING

## **Participants**

# **Work Group Members**

Justin M. Wilson, Mayor, City of Alexandria John Taylor Chapman, Council Member, City of Alexandria Stephen Koenig, City of Alexandria Planning Commission Peter Kleeblatt, Chair, ARHA Board of Commissioners Anitra Androh, Vice Chair, ARHA Board of Commissioners

### City of Alexandria/Alexandria Redevelopment and Housing Authority (ARHA) Staff

Helen S. McIlvaine, Director, Alexandria Office of Housing
Eric Keeler, Alexandria Office of Housing
Emily Baker, Deputy City Manager
Christina Zechman Brown, Deputy City Attorney
Nancy Williams, Department of Planning and Zoning
Sam Gates, Office of Housing
Kim Cadena, Office of Housing
Keith Pettigrew, CEO, Alexandria Redevelopment and Housing Authority
David Cortiella, Alexandria Redevelopment and Housing Authority
Derrick McDaniels, Alexandria Redevelopment and Housing Authority

#### **Introductions and Meeting Summary Approval**

Mayor Justin Wilson convened the meeting and read information regarding how the public could participate in the virtual meeting by Zoom. The Meeting Summary of the February 18, 2021 meeting was approved.

#### **Development Planning and Sequencing**

Keith Pettigrew provided an update on ARHA's current plans for development projects. He said ARHA issued an RFP for the Samuel Madden site to a shortlist of developers on March 8 with a due date of June 8. Once the bids have been submitted, there will be a sixty-day review period, followed by negotiations with the chosen developer. Mr. Pettigrew also reported that at their March 10 meeting, the ARHA Board viewed design concepts for Ladrey that would take advantage of the full footprint of the former executive building as well as the existing site. The concepts will be discussed by the Board on March 22 with possibility of developing a timetable for the development once a decision is made about the scope of the project.

Mayor Wilson asked if the Madden RFP went to only the closed bidders list chosen by the Board. Mr. Pettigrew confirmed it did. Mayor Wilson then asked when the project might begin the entitlement process. Mr. Pettigrew said that depending on how long it took to negotiate a term sheet, ARHA did not expect to move forward until at least the end of 2021 or into 2022. Helen McIlvaine asked if the Fall meeting among the Planning Commission, ARHA Board, and City Council should be postponed until the project was more advanced. Peter Kleebatt replied that if the meeting was to be on topics of interest to all three groups, like the general sequencing of the redevelopment it should proceed. The Mayor concurred. John Taylor Chapman noted that a November meeting would be after the City Council elections, so a meeting would be helpful to new Council members to understand what ARHA is doing and how they are doing it. There was a general consensus that a November 2021 meeting would benefit multiple groups.

Mr. Pettigrew raised the topic of funding for future projects. The Mayor noted the Office of Housing already has projects to be funded in its pipeline and that it might need to make space for ARHA. Ms. McIlvaine said City and ARHA staff have very productive monthly meetings and that ARHA's potential City funding needs could be discussed at the next one. Ms. McIlvaine and Mr. Pettigrew also said they had met with <u>Virginia Housing</u> about possible funding sources. Mayor Wilson asked about applying for Amazon money for housing creation and Ms. McIlvaine explained that while it would depend on timing, Virginia Housing was preparing to release a new tranche of funds that ARHA could be eligible to access, depending on the timeframe for development. Mr. Kleebatt inquired what kind of entities were eligible for those funds and Ms. McIlvaine replied that any housing developer was eligible, but that Virginia Housing required proposed projects to have an endorsement from the local jurisdiction before they could be funded and for VH's Amazon monies, there would need to be a connection of housing affordability to support the region's workforce (e.g., senior housing not likely to be funded).

Mr. Pettigrew reported ARHA had completed its draft <u>HUD Rental Assistance Demonstration</u> (RAD) applications for six properties and was presenting them to its Board for approval on March 22. He said that once the applications were submitted to HUD, he expected a decision on them in early 2022.

The Mayor asked about the properties that are exiting their year 15 compliance period. David Cortiella answered that the exit process for Braddock/Whiting/Reynolds was going well because Enterprise was withdrawing as partner voluntarily and there would be no fees or taxes involved in the transaction. He said Chatham Square was more complicated and they are still negotiating the investor's withdrawal. Once that is done, ARHA will commission a capital needs assessment of both properties to estimate the cost of rehabilitation and the amount they need to raise during the resyndication. They plan to combine Braddock/Whiting/Reynolds and Chatham Square into one package for resyndication because it would save them resyndication fees and a larger unit count would be more attractive to investors.

#### **Development update**

#### The Lineage at North Patrick Street (formerly Ramsey Homes)

Mayor Wilson asked Mr. Pettigrew for an update on The Lineage at North Patrick Street. Mr. Pettigrew said that all floors had been accepted and the contractor was in the process of acquiring Temporary Certificates of Occupancy (TCO) permits. He invited the Work Group members to contact him regarding tours of the property and mentioned a formal, in-person ribbon cutting would occur on April 20. He continued that ARHA had met with Edgewood on March 17 and they anticipated all leases would be signed by the end of March, with move-ins beginning in early April. The Mayor asked if ARHA could provide a report later in the year about their experience with a private management company. Mr. Pettigrew said that could be arranged and that ARHA was considering training and capacity building for their staff to help ease the anticipated transition from managing primarily public housing to administering primarily Section 8 vouchers.

#### Other business – Work Group Meeting Topics

Ms. McIlvaine provided the Work Group a list of possible meeting topics. These included the principles of mixed-income development; funding sources for future redevelopments, including possible City contributions and Amazon impact grant funding; structuring of Year 15 refinancings; introductions to ARHA's development partners; building ARHA's capacity as owners so they can maximize the potential of each development; the Ladrey redevelopment and how to support the existing residents during construction; and the demographics of ARHA's waitlist (once all the new applications have been reviewed and evaluated). The Mayor suggested a primer on the life cycle of housing projects from development to Year 15 and beyond. Ms. McIlvaine agreed this would be a good topic and added the discussion might need to be split in two as preserving the affordability of the units and maintaining the condition of a building are not the same and do not always have the same timing.

Mr. Cortiella told Ms. McIlvaine he would send over a list of ARHA's properties that are approaching Year 15 with a schedule of when that would occur so she could add it to her master schedule of expiring affordability restrictions.

Mr. Pettigrew asked about the possibility of hotels being converted into housing. Mr. Chapman responded the idea was in the exploratory stages, but that he would keep Mr. Pettigrew informed if things progressed.

The Work Group confirmed the next meeting date would be Thursday, April 15.

The Mayor asked for comments from members of the public. There were none.

The Mayor adjourned the meeting.